

Senate Bill No. 1131

CHAPTER 371

An act to amend Sections 41508, 41532, 41542, 41573, 52379, and 54026 of the Education Code, to amend Item 6110-198-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005, and to amend Sections 35 and 43 of Chapter 79 of the Statutes of 2006, relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 20, 2006. Filed with
Secretary of State September 20, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1131, Committee on Budget and Fiscal Review. Education funding.

(1) Existing law provides for funding of certain education programs through categorical education block grants and requires the amount of funds allocated under those grants to be adjusted for inflation and growth pursuant to certain formulas.

This bill would specify that the amount of the adjustment for inflation and growth for certain categorical education block grants is subject to provisions in the annual Budget Act.

(2) Existing law establishes the Supplemental School Counseling Program and requires the governing board of a school district that maintains any of grades 7 to 12, inclusive, as a condition of receiving funds appropriated for purposes of that program, to adopt a counseling program at a public meeting that includes, among other things, a provision for a counselor to meet with each pupil, as specified, to explain the academic and deportment records of the pupil, his or her educational options, the coursework and academic progress needed for satisfactory completion of middle or high school, and the availability of career guidance activities. Funds appropriated in the annual Budget Act for the purposes of the program are required to be allocated to school districts based on an equal amount per unit of average daily attendance in grades 7 to 12, inclusive, with certain minimum-grant exceptions.

This bill, instead, would require the appropriation to be based on an equal amount per pupil enrolled in the district in the prior fiscal year based on the fall California Basic Educational Data System (CBEDS) enrollment data in grades 7 to 12, inclusive, with certain minimum-grant exceptions.

(3) Existing law provides economic impact aid to school districts for the support of programs serving economically disadvantaged pupils, as defined, and English language learners, as defined. Existing law requires the Superintendent of Public Instruction to determine an economic impact aid-eligible pupil count and calculate an amount of economic impact aid

for each school district for the 2006–07 fiscal year and each fiscal year thereafter, as specified.

This bill would revise the data collection process for determining the economic impact aid-eligible pupil count for charter schools and small districts, as defined.

(4) The bill would revise certain allocations in the Budget Act of 2005 for CalSAFE academic and supportive services and nonconverting pregnant minors programs.

(5) Existing law appropriates \$500,000,000 from the General Fund to Section A of the State School Fund for allocation by the Superintendent of Public Instruction to school districts, charter schools, and county offices of education on the basis of an equal amount per unit of average daily attendance, and limits expenditure of those funds to the acquisition of art, music, and physical education supplies and equipment.

This bill, additionally, would authorize the funds to be expended for professional development in arts, music, or physical fitness, and thereby would make an appropriation by expanding the purposes for which the funds may be expended.

(6) Existing law provides that county superintendents may apply for funding for consideration of a school district's plan concerning outstanding long-term fiscal obligations concerning retired employee nonpension benefits during the course of reviewing the budget of the school district.

This bill would provide that the amount of funding for the above purpose is not to exceed \$1,000,000.

(7) The bill would make various technical changes in certain provisions of existing law enacted under Chapter 79 of the Statutes of 2006, relating to education funding.

(8) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 41508 of the Education Code is amended to read:

41508. Commencing with the 2006–07 fiscal year, the amount of funding a school district receives pursuant to this article shall be adjusted for inflation by the amount calculated pursuant to Section 42238.1 and for growth as measured by the regular average daily attendance used to calculate the second principal apportionment for kindergarten and grades 1 to 12, inclusive, unless otherwise provided in the annual Budget Act.

SEC. 2. Section 41532 of the Education Code is amended to read:

41532. Commencing with the 2006–07 fiscal year, the amount of funding a school district receives pursuant to this article shall be adjusted for inflation by the amount calculated pursuant to Section 42238.1 and for growth as measured by the regular average daily attendance used to

calculate the second principal apportionment for kindergarten and grades 1 to 12, inclusive, unless otherwise provided in the annual Budget Act.

SEC. 3. Section 41542 of the Education Code is amended to read:

41542. Commencing with the 2006–07 fiscal year, the amount of funding a school district receives pursuant to this article shall be adjusted for inflation by the amount calculated pursuant to Section 42238.1 and for growth as measured by the regular average daily attendance used to calculate the second principal apportionment for kindergarten and grades 1 to 12, inclusive, unless otherwise provided in the annual Budget Act.

SEC. 4. Section 41573 of the Education Code is amended to read:

41573. Commencing with the 2006–07 fiscal year, the amount of funding a school district receives pursuant to this article shall be adjusted annually for inflation by the amount calculated pursuant to Section 42238.1 and for growth as measured by enrollment in kindergarten and grades 1 to 12, inclusive, as reported in the CBEDS report, unless otherwise provided in the annual Budget Act. For purposes of this subdivision, “CBEDS report” means the report submitted by the school district to the department for purposes of the California Basic Education Data System.

SEC. 5. Section 52379 of the Education Code is amended to read:

52379. (a) Funds appropriated in the annual Budget Act for the purposes of this chapter shall be allocated to school districts based on an equal amount per pupil enrolled in the district in the prior fiscal year, based on the fall California Basic Educational Data System (CBEDS) enrollment data, in grades 7 to 12, inclusive, with the following minimum-grant exceptions:

(1) Five thousand dollars (\$5,000) for each schoolsite that has 100 or fewer pupils enrolled in any of grades 7 to 12, inclusive.

(2) Ten thousand dollars (\$10,000) for each schoolsite that has between 101 and 200 pupils enrolled in any of grades 7 to 12, inclusive.

(3) Thirty thousand dollars (\$30,000) or an amount per pupil enrolled, whichever is greater, for each schoolsite with more than 200 pupils enrolled in any of grades 7 to 12, inclusive.

(b) Funds allocated pursuant to this section shall supplement, and not supplant, expenditures made by a school district for school counseling programs.

(c) For purposes of this section, a charter school is not eligible to receive a minimum grant but instead shall receive an amount per pupil enrolled in grades 7 to 12, inclusive.

(d) Funds appropriated in the annual Budget Act for the purposes of this chapter shall be used to provide supplemental counseling services delivered by personnel who hold a valid pupil personnel services credential.

SEC. 6. Section 54026 of the Education Code is amended to read:

54026. For purposes of this article, the following definitions apply:

(a) “Economically disadvantaged pupils” means either of the following, whichever is applicable:

(1) Pupils described in Section 101 of Title I of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6333(c)(1)(A)(B)).

(2) (A) Notwithstanding paragraph (1), for a small school district, the product of the number of pupils eligible for participation in the free meals program for the prior fiscal year, as defined in subdivision (d), and the free meals adjustment factor. The free meals adjustment factor is the quotient, rounded to two decimal places, resulting from dividing the statewide total of economically disadvantaged pupils as defined in paragraph (1) by the statewide total of pupils eligible for participation in the free meals program for the prior fiscal year, as defined in subdivision (d).

(B) Notwithstanding paragraph (1) or subparagraph (A), for charter schools that are funded through the block grant funding model pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 in the 2006–07 fiscal year, the department shall use counts as of October 2006 of pupils ages 5 to 17 years, inclusive, who are living in families whose income is at or below the federal poverty level, as collected through the first principal apportionment data collection process, as defined in Section 41601, without revision. Commencing in the 2007–08 fiscal year, the Superintendent shall use counts as of October of the prior year of pupils ages 5 to 17 years, inclusive, who are living in families whose income is at or below the federal poverty level, as collected through the first principal apportionment data collection process, as defined in Section 41601, without revision. For purposes of this subdivision, the department may use in the first year of operation of a charter school that is established on or after July 1, 2007, the current year counts of pupils ages 5 to 17 years, inclusive, who are living in families whose income is at or below the federal poverty level.

(C) The Superintendent may expand upon an existing process of collecting free or reduced price meal data in order to collect from small districts, as defined in subdivision (c), counts of pupils living in families whose income is at or below the federal poverty level.

(b) “English learner” means a pupil described in subdivision (a) of Section 306 or identified as a pupil of limited English proficiency, as that term is defined in subdivision (m) of Section 52163.

(c) “Small school district” means a school district that has an annual enrollment of less than 600 pupils based on prior school year CBEDS data and is, for the purposes of this section, designated a rural school by the Superintendent based on the appropriate school locale codes, as used by the National Center for Education Statistics of the United State Department of Education.

(d) “Free meals” means the aggregate number of pupils meeting the income eligibility guidelines established by the federal government for free meals as reported for all schools for which the district is the authorizing agency.

SEC. 7. Item 6110-198-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-198-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund, for allocation to school districts and county offices of education, in lieu of the amount that otherwise would be appropriated pursuant to statute 52,996,000

Schedule:

- (1) 20.60.220-CalSAFE Academic and Supportive Services 15,385,140
- (2) 30.10.020-CalSAFE Child Care 24,509,250
- (3) 20.60.221-All Services for Non-converting Pregnant Minors Programs 13,101,610

Provisions:

1. Notwithstanding any other provision of law, a school district or county superintendent of schools operating, by October 1, 1999, a School Age Parent and Infant Development Program pursuant to Article 17 (commencing with Section 8390) of Chapter 2 of Part 6 of, a Pregnant Minors Program pursuant to Chapter 6 (commencing with Section 8900) of Part 6 of, and Section 2551.3 of, or a Pregnant and Lactating Students Program pursuant to Sections 49553 and 49559 of, the Education Code, or any combination thereof, that chooses to participate in the CalSAFE program shall have priority for CalSAFE program funding for an amount up to the dollar amount provided under those provisions in the fiscal year prior to participation in the CalSAFE program, provided an application is submitted and approved.
2. The amounts appropriated in Schedules (1), (2), and (3) of this item are based on estimates of the amounts required by existing programs for operation of CalSAFE programs in 2005–06. By October 31, 2005, the Department of Education shall submit to the Department of Finance current expenditure data for 2004–05 and 2005–06 showing each agency’s allocation and supporting detail including average daily attendance and child care attendance and enrollment data. The State Department of Education shall also provide estimates of average daily attendance and child care to be provided in the 2006–07 fiscal year.
3. Funds appropriated in Schedule (3) are available to provide funding for all child care, as well as both academic and supportive services for programs choosing to retain their Pregnant Minors Program revenue limit. Notwithstanding any other provision of law, the State Department of Education shall com-

pute allocations to these agencies using the respective agencies' 1998–99 Pregnant Minors Program revenue limits. Further, notwithstanding any other provision of law, programs which choose to retain their Pregnant Minors Program revenue limit rather than convert to the CalSAFE revenue limit must provide child care within the revenue limit funding for children of students comprising base year average daily attendance. To the extent additional units of average daily attendance are authorized by the department for growth for these agencies, academic and supportive services reimbursement for such growth shall be computed using the new CalSAFE revenue limit. Growth funding for the child care component shall be equal to the proportionate share of total child care costs for the specific agency's program as determined by dividing the authorized growth in student average daily attendance by the total authorized average daily attendance.

4. Of the funds appropriated in this item, \$348,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent, and \$2,151,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.

SEC. 8. Section 35 of Chapter 79 of the Statutes of 2006 is amended to read:

Sec. 35. (a) For the 2006–07 fiscal year, the Superintendent shall add to the amount determined pursuant to Section 54022 of the Education Code for each school district a supplemental adjustment calculated as follows:

- (1) Calculate the difference between the number six hundred (600) and the number that is equal to the per pupil economic impact aid amount for the school district calculated pursuant to subdivision (a) of Section 54022.

- (2) If the difference pursuant to paragraph (1) is greater than zero, multiply that difference by the economic impact aid eligible pupil count for the school district for the current school year.

- (3) Calculate the available funds factor by dividing the funds available for supplemental adjustments pursuant to this section, as specified in paragraph (5), by the product pursuant to paragraph (2) for all school districts.

- (4) Multiply the amount calculated pursuant to paragraph (2), if applicable, by the available funds factor calculated in paragraph (3). The result is the adjustment a school district shall receive for the 2006–07 fiscal year pursuant to this section.

(5) Determine the funds available for the supplemental adjustment according to the following calculation:

(A) Calculate the total statewide economic impact aid allocation amount for the 2006–07 fiscal year as the sum of each school districts allocation determined pursuant to Section 54022 of the Education Code.

(B) From the total of funds appropriated for the purposes of this article in the 2006–07 fiscal year, subtract the amount determined in subparagraph (A). This remainder is the amount of funds available for the economic impact aid adjustment allocated pursuant to this section.

(b) For the 2007–08 fiscal year, the Superintendent shall add to the economic impact aid per pupil amount calculated pursuant to subdivision (a) of Section 54022 of the Education Code the quotient that is equal to the adjustment received by each school district pursuant to this section in the 2006–07 fiscal year divided by the economic impact aid eligible pupil count for the 2006–07 fiscal year.

SEC. 9. Section 43 of Chapter 79 of the Statutes of 2006 is amended to read:

Sec. 43. (a) Two billion three hundred five million six hundred ninety-five thousand dollars (\$2,305,695,000) is hereby appropriated from the General Funds for the 2005–06 fiscal year in accordance with the following schedule:

(1) Six hundred fifty million sixty-two thousand dollars (\$650,062,000) to the Controller for allocation as appropriate for the reimbursement of state-mandated local cost claims submitted by local education agencies for the 1995–96 to 2005–06 fiscal years, inclusive.

(A) The Controller shall use the funds described in this paragraph to pay claims submitted by school districts and county offices of education pursuant to Chapter 4 (commencing with Section 17550) of Part 7 of Division 4 of Title 2 of the Government Code for the 1995–96 to 2005–06 fiscal years, inclusive. The Controller shall pay the claims according to the following order of priority:

(i) First, the oldest claims no longer subject to audit pursuant to subdivision (a) of Section 17558.5 of the Government Code, including accrued interest.

(ii) Second, claims still subject to audit pursuant to subdivision (a) of Section 17558.5 of the Government Code, including accrued interest. The Controller may adjust the amounts paid for these claims on the basis of the final audits. Any repayment resulting from an audit may be counted towards future claims submitted by the local educational agency.

(B) No payments shall be made for any claims for the Standardized Testing and Reporting (STAR) or National Norm-Referenced Achievement Test programs, Schoolsite Councils, Brown Act and Open Meetings Act, School Bus Safety II, grand jury proceedings, or the removal of chemicals.

(2) Four hundred million one hundred twenty-five thousand dollars (\$400,125,000) to the Superintendent of Public Instruction for allocation to school districts according to the following provisions:

(A) The funds appropriated pursuant to this paragraph shall be allocated to school districts on the basis of an equal amount per pupil enrolled in the district in the 2006–07 fiscal year, including pupils enrolled in adult education programs and pupils enrolled in regional occupational centers and programs based on the fall California Basic Educational Data System (CBEDS) enrollment data, except that pupil enrollment in adult education programs and regional occupational centers and programs shall be determined based on their calculated average daily attendance (ADA) for base funding allocations. The ADA for this purpose shall be considered final as of the second principal apportionment for fiscal year 2006–07. The governing board of each school district shall allocate the funds on an equal per-pupil basis to the schools within its jurisdiction for expenditure pursuant to this section. The Superintendent of Public Instruction shall make an initial apportionment of up to 75 percent of the funds on the basis of the enrollment in the 2005–06 fiscal year and shall make a final apportionment of the remaining funds in a manner that ensures that the total funds apportioned pursuant to this section are distributed on the basis of 2006–07 enrollment or ADA, as applicable.

(B) For the purposes of this paragraph, “school” shall include locally funded charter schools that have pupils who are currently enrolled and that have a current county-district-school (CDS) code, as maintained by the Superintendent of Public Instruction. The use of the funds allocated to charter schools pursuant to this section shall further the program specified in the school’s charter and shall not be allocated to parents, pupils, or staff of the charter school.

(C) The use of funds allocated pursuant to this paragraph for schools under the jurisdiction of a school district shall be proposed by each school’s schoolsite council of each school, or, if the school does not have a schoolsite council pursuant to Section 52852 of the Education Code, by schoolwide advisory groups or school support groups. Funds shall be allocated to all schoolsites including adult education schools and regional occupational centers. For adult schools, the school shall develop an adult school advisory committee which shall consist of the school principal or director, teachers representing a variety of academic disciplines, adult education students, and community business leaders.

(D) The funds apportioned pursuant to this paragraph may be expended for any one-time educational purpose including, but not limited to, instructional materials, classroom and laboratory supplies and materials, school and classroom library materials, educational technology, deferred maintenance, one-time expenditures designed to close the achievement gap, or professional development. Before funds allocated pursuant to this section may be encumbered or expended, the governing board of the school district shall approve the proposed use. If the governing board of a school district does not approve the use proposed pursuant to this paragraph, no expenditures of the specified funds may be made and the governing board of the school district shall inform the schoolsite council, schoolwide advisory group, or school support group, as applicable, of the

reasons why the proposal was disapproved. If the schoolsite council, schoolwide advisory group, or school support group, as applicable, and the governing board of the school district are unable to agree on the use of the funds by May 1, 2007, the dispute shall be immediately submitted to the county board of education. The county board of education shall resolve the dispute within 30 days of submission. The decision of the county board of education shall be final.

(E) The use of funds allocated pursuant to this paragraph for schools under the jurisdiction of a county office of education shall be proposed by each school's schoolwide advisory group or school support group. The proposals shall be approved by the county board of education prior to expenditure of the funds allocated pursuant to paragraph (1).

(F) For purposes of this paragraph, "school district" means a school district, county office of education, state special school, or direct-funded charter school, as described in paragraph (1) of subdivision (a) of Section 47651 of the Education Code.

(G) The funds apportioned under this paragraph shall be allocated with a minimum of five thousand dollars (\$5,000) for schoolsites of 25 or fewer pupils and ten thousand dollars (\$10,000) for schoolsites of more than 25 pupils.

(3) One hundred thirty-three million three hundred seventy-five thousand dollars (\$133,375,000) to the Superintendent for allocation to school districts according to the following provisions:

(A) The funds appropriated pursuant to this paragraph shall be apportioned to school districts on the basis of an equal amount per pupil enrolled in the district in the 2006–07 fiscal year, including pupils enrolled in adult education programs and pupils enrolled in regional occupational centers and programs based on the fall California Basic Educational Data System (CBEDS) enrollment data, except that pupil enrollment in adult education programs and regional occupational centers and programs shall be determined based on their calculated average daily attendance (ADA) for base funding allocations. The ADA for this purpose shall be considered final as of the second principal apportionment for the 2006–07 fiscal year. The Superintendent of Public Instruction shall make an initial apportionment of up to 75 percent of the funds on the basis of the enrollment in the 2005–06 fiscal year and shall make a final apportionment of the remaining funds in a manner that assures that the total funds apportioned pursuant to this section are distributed on the basis of 2006–07 enrollment, or ADA, as applicable.

(B) The funds apportioned pursuant to this paragraph may be expended for instructional materials, classroom and laboratory supplies and materials, school and classroom library materials, educational technology, deferred maintenance, professional development, home-to-school transportation, one-time expenditures designed to close the achievement gap, or outstanding one-time fiscal obligations of school districts.

(C) It is the intent of the Legislature that to the extent a school district allocates funds appropriated pursuant to this paragraph for the benefit of

schoolsites, the district shall expend funds for the benefit of charter schools, including direct-funded charter schools, on an equitable basis.

(D) The funds apportioned under this paragraph shall be allocated with a minimum of ten thousand dollars (\$10,000) per school district.

(4) One hundred million dollars (\$100,000,000) from the General Fund on a one-time basis for allocation by the Superintendent of Public Instruction to school districts, charter schools, and county offices of education on the basis of enrollment in the 2005–06 fiscal year according to the fall CBEDS enrollment data. That allocation shall be used solely for any of the following:

(A) Instructional materials.

(B) School and classroom library materials.

(C) One-time educational technology costs, as provided in this section.

(5) Eleven million five hundred thirty-three thousand dollars (\$11,533,000) on a one-time basis to be available for expenditure by June 30, 2009, as follows:

(A) Nine million five hundred thousand dollars (\$9,500,000) for allocation to school districts, charter schools, and county office of education to provide funds to local educational agencies that have not previously received funding pursuant to the California School Information Services. These funds may be combined with the funds appropriated for this purpose in Item 6110-101-0349 of the annual Budget Act for the 2006–07 fiscal year. Funds shall be allocated pursuant to Section 49084 of the Education Code for activities consistent with an implementation plan developed by the California School Information Services, to be jointly approved by the Department of Finance, the Office of the Secretary for Education, and the State Department of Education, in consultation with the Legislative Analyst's Office.

(B) One million five hundred thousand dollars (\$1,500,000) is available to the State Department of Education for transfer of five hundred thousand dollars (\$500,000) per year over three fiscal years to the California School Information Services to be used to support staffing and for administrative costs associated with an increased workload pursuant to subparagraph (A).

(C) Five hundred thirty-three thousand dollars (\$533,000) is available to the State Department of Education to the California School Information Services for use to purchase one-time equipment, hardware, and software consistent with an implementation plan developed by the California School Information Services, to be jointly approved by the Department of Finance, the Office of the Secretary for Education, and the State Department of Education, in consultation with the Legislative Analyst's Office.

(6) Ten million dollars (\$10,000,000) on a one-time basis for transfer to Section A of the State School Fund for allocation by the Superintendent of Public Instruction to school districts, charter schools, and county offices of education for the following purposes:

(A) School districts and charter schools with outstanding long-term fiscal obligations concerning retired employee nonpension benefits may

apply for funding upon completing a plan, as specified by the Superintendent of Public Instruction, for meeting those obligations. As a requirement of receipt of funding, districts must submit these plans to the county superintendent of education as part of the budget review process, and charter schools shall submit their plans to their authorizing entity. School districts, and charter schools may not receive an amount greater than fifteen thousand dollars (\$15,000) for activities related to this purpose.

(B) County superintendents of education may apply for funding for consideration of district plans submitted pursuant to this section during the course of reviewing the budget of a school district. The total amount provided for this purpose shall not exceed one million dollars (\$1,000,000).

(7) Ten million dollars (\$10,000,000) on a one-time basis to the Superintendent of Public Instruction for the purpose of providing Healthy Start grants to school districts, charter schools, or county offices of education, for allocation to schools that have not previously received a Healthy Start operational grant. The grant shall be provided on a competitive basis and shall provide full funding for both collaborative planning and operational grants in the 2006–07 fiscal year. Collaborative planning grants and operational grants may be expended over a seven-year period.

(8) Three million dollars (\$3,000,000) to the State Department of Education for allocation to school districts, charter schools, and county offices of education to fund grants during the 2006–07 school year for startup school breakfast and summer food service programs under Section 49550.3 of the Education Code.

(9) Fifteen million dollars (\$15,000,000) to the Superintendent of Public Instruction for allocation to school districts and charter schools on a one-time basis for purposes of parental involvement activities pursuant to Article 2 (commencing with Section 51120) of Chapter 1.5 of Part 28 of the Education Code.

(10) Thirty million dollars (\$30,000,000) on a one-time basis to provide supplemental instructional materials specifically for English learners in kindergarten and grades 1 to 12, inclusive. The purpose of these materials will be to accelerate pupils as rapidly as possible towards grade level proficiency. The funds shall be used to purchase supplemental materials that are designed to help English learners become proficient in reading, writing, and speaking English. These materials may only be used in addition to the standards-aligned materials adopted by the State Board of Education pursuant to Section 60605 of the Education Code.

(A) Local educational agencies shall be eligible for apportionment funding of up to twenty-five dollars (\$25) per pupil, based on the most recently certified language census number of English learners in kindergarten and grades 1 to 12, inclusive, to purchase any materials that the State Department of Education verifies and the State Board of Education approves are substantially correlated to identified state

standards adopted pursuant to Section 60811 of the Education Code, as applied in the standards adopted pursuant to Section 60605 of the Education Code. Funding may be provided only for the number of pupils that the local educational agency certifies it will purchase materials for pursuant to subparagraph (D). Local educational agencies may expend no more than thirty dollars (\$30) per pupil from these funds for these materials. Local educational agencies shall return to the state any funds allocated under this subparagraph that are not expended for purchase of materials pursuant to this provision.

(B) The State Department of Education shall use the existing correlation matrices pursuant to Item 6110-189-0001 of Section 2.00 of Chapter 208 of the Statutes of 2004 to determine if the instructional materials correlate to the English-language arts and English language development standards adopted by the State Board of Education.

(C) Prior to submission of materials to the department for review to ensure that the materials correlate to identified standards, publishers shall be required to submit standards maps to the department and any requesting local education agency so that the department and the local educational agency can determine the extent to which each item, if purchased separately, or set of instructional materials for English learners are correlated to the standards adopted by the State Board of Education. The standards maps shall be filled out using the most recent format approved by the State Board of Education. The contents for the standards map will be the correlation matrix as described in subparagraph (B).

(D) As a condition of receipt of funds, local educational agencies that elect to participate shall do one, or both, of the following:

(i) No later than March 30, 2007, submit a request for review, specifying the title, ISBN number, grade levels, type, and publisher of the materials they intend to purchase, and the number of pupils for which materials may be purchased.

(ii) Identify materials from the existing list of materials approved by the State Board of Education specifying the information described in clause (i).

(E) After a local educational agency notifies the State Department of Education of its request for review of materials, the department may select and train panels of teachers and educators to verify the standards maps provided by the publishers and examine the materials for legal and social compliance. The department will also provide an appeals process to allow due process review of discrepancies of findings in the verification process. The verification shall not constitute a state adoption of instructional materials pursuant to Section 60200 of the Education Code. The department shall give first priority in verifying correlation to identified state standards to those materials that are most commonly cited in the intent of school districts to purchase provided under subparagraph (D). The department shall submit its verification results to the State Board of Education for approval and the State Board of Education shall approve or disapprove the materials at the next regularly scheduled meeting after

receipt of the verification of the department, in accordance with public notification requirements.

(11) Nine million dollars (\$9,000,000) to the Superintendent of Public Instruction for allocation to charter schools for the Charter School Facility Grant Program pursuant to Section 47614.5 of the Education Code.

(12) Five million dollars (\$5,000,000) to the State Department of Mental Health for the purpose of funding the full costs of the operational grants for a new cohort of grants over a multiyear period for the School-Based Early Mental Health Intervention and Prevention Services Matching Grant Program pursuant to Chapter 2 (commencing with Section 4380) of Part 4 of Division 4 of the Welfare and Institutions Code.

(13) Twenty million dollars (\$20,000,000) to the Superintendent of Public Instruction for local assistance costs of a multiyear research pilot project to identify best practices for improving the academic achievement and English language development of English learners pursuant to legislation enacted during the 2005–06 Regular Session of the Legislature.

(14) Forty million dollars (\$40,000,000) for transfer to Section A of the State School Fund for allocation to school districts, regional occupational centers and programs, adult education providers, charter schools and county offices of education that offer career technical education programs for the purchase of equipment and supplies, and minor facility reconfigurations for career technical education courses. Funds appropriated in this paragraph shall be allocated in accordance with, and are subject to, all of the following conditions:

(A) Funds shall be allocated on the basis of an equal amount per student enrolled in career technical education courses based on 2004–05 enrollment for grades 7 to 12, inclusive, as determined by the Superintendent of Public Instruction. In no event shall an eligible local educational agency receive less than three thousand two hundred and fifty dollars (\$3,250), provided all other conditions of this paragraph are satisfied.

(B) This allocation shall be used solely for purchases of equipment and supplies for career technical education courses and any necessary minor facility configurations or improvements to remove old equipment or to utilize the new equipment.

(C) Prior to the allocation of funds to any local educational agency, the receiving agency shall do all of the following:

(i) Provide to the State Department of Education an expenditure plan for approval by the department that has been developed in consultation with the career technical education advisory committee established pursuant to Section 8070 of the Education Code.

(ii) Agree to notify the career technical education advisory committee prior to disposing of any existing equipment or purchasing any new equipment used for career technical education.

(iii) Provide any other information determined by the Superintendent of Public Instruction deemed necessary to ensure this funding is effectively

utilized to sustain and expand attendance in high quality career technical education programs.

(D) Of the funds appropriated in this paragraph, two million five hundred thousand dollars (\$2,500,000) shall be used for capacity building incentive grants for grades 7 to 12, inclusive, to enhance existing, or establish new, health-related career pathway programs in grades 7 to 12, inclusive. Funds shall be used for standards-based curriculum development, development of a sequence of courses, and materials and equipment. The State Department of Education shall report to the Legislature and the Governor on the use of the funds described in this subparagraph on or before January 1, 2008.

(15) Four million dollars (\$4,000,000) to the Superintendent of Public Instruction as local assistance funds for support of the K-12 High-Speed Network.

(16) Five hundred million dollars (\$500,000,000) for transfer to Section A of the State School Fund for allocation by the Superintendent of Public Instruction to school districts, charter schools, and county offices of education on the basis of an equal amount per unit of average daily attendance, as defined in Section 42238.5 of, and subdivision (b) of Section 41601 of, the Education Code, plus any average daily attendance credited to the county superintendent of schools for the purposes of Sections 42238, 47633, 47605.5, 47613.1, and 47634.2 of the Education Code, and including average daily attendance used to compute funding for small school districts pursuant to Article 4 (commencing with Section 42280) of Chapter 7 of Part 24 of the Education Code, reported for the second principal apportionment for the 2005–06 fiscal year pursuant to Section 41601 of the Education Code. However, the Superintendent of Public Instruction shall not allocate to a district, and the district shall not expend, less than two thousand five hundred dollars (\$2,500) per schoolsite. That allocation shall be used solely for the following:

- (A) Art and music supplies and equipment.
- (B) Physical education supplies and equipment.
- (C) Professional development in arts, music, or physical fitness.

(17) Fifty million dollars (\$50,000,000) for transfer to the Child Care Facilities Revolving Fund to address facilities needs for the expansion of the State Preschool Program, pursuant to legislation enacted during the 2005–06 Regular Session of the Legislature. Funding shall be available for the renovation, repair, or improvement of an existing building and for the purchase of new relocatable child care facilities, in accordance with Education Code Section 8278.3.

(18) Five million five hundred thousand dollars (\$5,500,000) to the Superintendent of Public Instruction for allocation to local educational agencies for the purpose of funding the purchase of state-approved individual intervention materials for students who have failed the California High School Exit Examination.

(A) Local educational agencies shall be eligible for apportionment funding of twenty dollars (\$20) per pupil based on the number of pupils in

grades 11 through 12, inclusive, who have failed to pass one or both portions of the California High School Exit Examination. Funds shall be used to purchase any materials recommended by the State Department of Education and approved by the State Board of Education for these purposes.

(B) Individual intervention materials approved pursuant to this section shall meet the following criteria:

(i) Assist students in mastering standards necessary to successfully pass the California High School Exit Examination.

(ii) Include a computer-based component that adapts to each student's specific remediation needs.

(iii) Include appropriate professional development support for teachers.

(C) The State Department of Education shall issue a request for proposals to vendors to develop, produce, and make available workbooks meeting the specifications described in subparagraph (B) at a cost no greater than twenty dollars (\$20) per workbook. Based on this request for proposal process, the department shall recommend a vendor or vendors to the State Board of Education for approval.

(19) The sum of one million eight hundred thousand dollars (\$1,800,000) to the Superintendent of Public Instruction for implementation of the Mathematics Teacher Partnership Pilot Program.

(A) The Superintendent of Public Instruction shall select, on a competitive basis, a county office of education or consortia of county offices of education to provide one-time funding for the establishment of the Mathematics Teacher Pilot Program. The funding shall be allocated no later than August 1, 2006, or 30 days following enactment of the Budget Act of 2006, whichever date is later, and shall be available for expenditure to the successful bidder for the 2006–07 and 2007–08 fiscal years.

(B) The successful bidder shall use the funds provided to implement a regional Math Teacher Pilot Project in at least three counties to accomplish the following objectives:

(i) Increase the number of qualified secondary level math teachers and increase the likelihood that such teachers will remain in the teaching profession. These activities shall build upon current state efforts to increase the number of new secondary level math teachers.

(ii) Improve and raise the capacity of secondary-level teachers who teach mathematics.

(iii) Provide professional development to teachers aimed at improving their ability to convey rigorous content and motivate students toward careers in teaching mathematics.

(iv) Provide professional development for teachers in how to assist students who are struggling to meet proficiencies required to pass the mathematics portion of the California High School Exit Examination.

(C) (i) The county office of education receiving the funding shall monitor and report on the results of the pilot programs to identify models for replication in other service areas throughout the state.

(ii) The county office of education receiving the funding shall submit annual progress reports to the Legislature, the Department of Finance, the Superintendent of Public Instruction, the Office of the Secretary of Education, the State Board of Education, the Governor, and the Legislative Analyst's Office. These reports shall include, but not be limited to, information on outcomes related to the number, quality and capacity of secondary level math teachers in pilot schools; statistics regarding unmet demand for secondary level math teachers in pilot schools; types of incentives and support provided to teachers; passage rates of students on the mathematics portion of the California High School Exit Examination; and lessons learned about effective or ineffective activities and strategies. These reports shall be submitted on or before August 1, 2007, and August 1, 2008.

(20) Fifty million dollars (\$50,000,000) to the Superintendent of Public Instruction for teacher recruitment and retention for allocation to the governing board of a school district that has a school or schools that are ranked in deciles 1 to 3, inclusive, of the 2005 base Academic Performance Index, as defined in Section 52052 of the Education Code, for one or more such qualifying schools in accordance with the following:

(A) As a condition of receipt of funds, the district governing board shall adopt a plan for use of the funds within the qualifying schools. The plan shall be discussed and adopted at a regularly scheduled governing board meeting.

(B) Each applicant district shall receive fifty dollars (\$50) per pupil based upon the number of pupils in qualifying schools within the district.

(C) The funds shall be used for the purposes of improving the educational culture and environment at those schools, which may include, but are not limited to, the following specific purposes:

(i) Assuring a safe, clean school environment for teaching and learning.

(ii) Providing support services for students, and teachers.

(iii) Activities, including differential compensation, focused on the recruitment and retention at those schools of teachers who meet the definition of a highly qualified teacher under the No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

(iv) Activities, including differential compensation, focused on the recruitment and retention at those schools of highly skilled principals.

(v) Small group instruction.

(vi) Providing time for teachers and principals to collaborate regarding improving academic outcomes for students.

(D) To the extent that funding is insufficient to fund all eligible applicants, the amount provided shall be prorated to conform to available funds.

(21) Ninety-four million one hundred forty-four thousand dollars (\$94,144,000) for transfer by the Controller to Section B of the State School Fund for the purpose of providing one-time block grants to community college districts for physical plant and instructional support, for the 2005–06 fiscal year subject to the following provisions:

(A) Forty-seven million seventy-two thousand dollars (\$47,072,000) shall be available for scheduled maintenance and special repairs of facilities and forty-seven million seventy-two thousand dollars (\$47,072,000) shall be available for the replacement of instructional equipment and library materials.

(B) Community college districts shall expend the allocations made pursuant to this paragraph for the purpose of one-time expenditures, including high priority instructional equipment and library material replacement; technology infrastructure; scheduled maintenance and special repairs; hazardous substances abatement, cleanup and repairs; and architectural barrier removal and seismic retrofit projects limited to \$400,000.

(C) The Chancellor of the Community Colleges shall allocate the amount appropriated for the one-time block grants in subparagraph (A) to community college districts on an equal amount per actual full-time equivalent student attendance reported for the 2005–06 fiscal year, except that each community college district shall be allocated an amount not less than one hundred thousand dollars (\$100,000), and the equal amount per unit of full-time attendance shall be computed accordingly.

(D) These funds shall supplement and not supplant existing expenditures and may not be counted as the district match for physical plant projects and instructional material purchases funded in Item 6870-101-0001 of Section 2.00 of the Budget Act of 2006.

(22) Seventy-seven million seven hundred thousand dollars (\$77,700,000) for transfer by the Controller to Section B of the State School Fund for the purpose of providing one-time general purpose block grants to community college districts, for the 2005–06 fiscal year. The Chancellor of the Community Colleges shall allocate the amount appropriated for the one-time block grants in this paragraph to community college districts in an equal amount per actual full-time equivalent student attendance reported for the 2005–06 fiscal year, except that each community college district shall be allocated an amount not less than one hundred thousand dollars (\$100,000), and the equal amount per unit of full-time attendance shall be computed accordingly. Community college districts may expend the allocations made pursuant to this section for the purpose of any appropriate one-time expenditure. However, these funds may not be counted as the required local contribution for physical plant projects or instructional material purchases funded in Item 6870-101-0001 of Section 2.00 of the Budget Act of 2006.

(23) Forty million dollars (\$40,000,000) for transfer by the Controller to Section B of the State School Fund for the purpose of providing one-time grants to community college districts, for career technical education equipment, materials and minor facility remodeling. The Chancellor of the Community Colleges shall allocate the amount appropriated for the one-time grants in this paragraph to community college districts on an equal amount per actual full-time equivalent student attendance reported for the 2005–06 fiscal year, except that each

community college district shall be allocated an amount not less than one hundred thousand dollars (\$100,000), and the equal amount per unit of full-time attendance shall be computed accordingly. Community college districts shall expend the allocations made pursuant to this section for the purpose of one-time expenditures for career technical education equipment, materials, and facility reconfigurations or improvements necessary to remove old or install new equipment. Any equipment that has been replaced with funds provided in this subdivision shall be made available to high schools in the region served by the district to the extent it may benefit career technical education in the high schools.

(24) Nineteen million seven hundred ten thousand dollars (\$19,710,000) for transfer by the Controller to Section B of the State School Fund for the purpose of providing one-time grants to community college districts, for purposes specified in legislation enacted during the 2005–06 Regular Session.

(25) Fifteen million dollars (\$15,000,000) to the Controller for allocation to community college districts for the reimbursement of state-mandated local cost claims submitted by community college districts for the 1995–96 to 2005–06 fiscal years, inclusive. The Controller shall use the funds appropriated in this paragraph to pay for claims submitted by community college districts for the 1995–96 to 2005–06 fiscal years, inclusive. The Controller shall pay claims according to the following order of priority:

(A) First, the oldest claims no longer subject to audit pursuant to subdivision (a) of Section 17558.5 of the Government Code, including accrued interest.

(B) Second, claims still subject to audit pursuant to subdivision (a) of Section 17558.5 of the Government Code, including accrued interest. The Controller may adjust the amounts paid for these claims on the basis of the final audits. Any repayment resulting from an audit may be counted towards future claims submitted by the local educational agency.

(26) Five hundred thousand dollars (\$500,000) from the General Fund for transfer by the Controller to Section B of the State School Fund for the purpose of providing one-time grants to community college districts, for the following purposes:

(A) The establishment or expansion of nursing student clinical placement registries in all regions of the state for the benefit of nursing students and programs serving community college students and students from the University of California and the California State University.

(B) To establish an online community college nursing faculty registry.

(C) It is the intent of the Legislature that the one-time projects funded pursuant to this paragraph will be self-sustaining through annual user fees from participating colleges and universities.

(27) One million four hundred forty-six thousand dollars (\$1,446,000) from the General Fund for transfer by the Controller to Section B of the State School Fund for the purpose of providing one-time grants to community college districts for sites to complete connection to the

California Research and Education Network. To the extent that there are insufficient moneys to fund all applications, the funding shall be allocated on a first-come first-serve basis. These funds shall only be given to districts with college sites that do not currently have the ability to connect to the California Research and Education Network.

(28) Five hundred thousand dollars (\$500,000) for transfer by the Controller to Section B of the State School Fund for the purpose of providing one-time funding to the community colleges for research and statewide leadership activities related to the implementation of a community college system strategic plan adopted by the Board of Governors in January 2006. The funds shall be used for reimbursement of expenditures incurred by community college representatives assisting in the shared governance implementation of the strategic plan. At least ninety percent of the appropriated funds shall be expended for short-term applied research necessary to guide the implementation of strategic initiatives identified in the plan, including removal of barriers for student access and success, innovative programs and outreach, improved assessment and placement, improved articulation with elementary and secondary schools and four-year institutions, teaching and learning effectiveness, innovative practices in workforce education and accountability research for the community colleges. No more than ten percent of the appropriated funds shall be available for reimbursement of release time and transportation expenses of community college representatives assisting in the shared governance advice and implementation of the strategic plan.

(29) Seven hundred thousand dollars (\$700,000) for transfer by the Controller to Section B of the State School Fund for the purpose of providing one-time funding to the community colleges to develop and implement an Electronic Transcript Exchange.

(30) Two million five hundred thousand dollars (\$2,500,000) for transfer by the Controller to Section B of the State School Fund to fund a pilot grant program designed to recruit and retain existing full-time nursing faculty. Funds shall be available for three years, through the 2008–09 fiscal year. The Board of Governors shall adopt criteria to allocate these funds to districts on a competitive basis to maximize their effectiveness. The chancellor shall submit the grant criteria to the Department of Finance and the Legislature for review not less than 30 days prior to releasing a request for proposals. On or before January 10, 2009, the chancellor shall submit to the Legislature and the Department of Finance a report listing the grant recipients, describing how the grant funds were used, and assessing the effectiveness of the grant funds in retaining and recruiting nursing faculty. It is the intent of the Legislature to use the information contained in the report to help decide whether to extend or expand the pilot program beyond the 2008–09 fiscal year.

(31) Five million dollars (\$5,000,000) for transfer by the Controller to Section B of the State School Fund for one-time expenditure by the community colleges in support of faculty and staff professional development programs established by Article 5 Chapter 1 of Part 51 of the

Education Code, beginning with Section 87150 of the Education Code. The chancellor shall allocate funds to each community college district that complies with the requirements of Section 87151 of the Education Code on an equal basis per full-time equivalent student.

(32) One hundred thousand dollars (\$100,000) for transfer by the Controller to Section B of the State School Fund for allocation to the Amador County Office of Education for distance education equipment for purposes of broadcasting community college courses in Amador County.

(b) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, and “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202 of the Education Code, for the 2005–06 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2005–06 fiscal year.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide sufficient funding for public education programs in an expeditious manner prior to commencement of the 2006–07 school year, it is necessary for this act to take effect immediately.